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HOUSE BILL 2588 By
McDonald

SENATE BILL 2908
By Graves

AN ACT to amend Tennessee Code Annotated, Title 56, relative to
enrollee choice of health professionals and providers.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 56, Chapter 7, is amended by adding
the following as a new section to be appropriately designated:

Section ____.

(a)(1) If a health insurance issuer offers to enrollees health insurance
coverage through a health maintenance organization, such health insurance
issuer shall offer to its enrollees (at the time of enrollment and at least once each
year) either:

(A) a point of service option through the health maintenance
organization which provides benefits for covered services through health
professionals and providers who are not members of such a network; or

(B) a preferred provider organization plan.

(2) Before an enrollee consents to the insurance contract, the health
insurance issuer shall fully disclose to the enrollee the terms and conditions of
each option, and the costs associated with each such option provided by the
issuer.

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(b) The amount of any additional premium required for the options described in subsection (a) may not exceed an amount that is fair and reasonable, as determined by the commissioner of commerce and insurance, based on the nature of the additional coverage provided. In addition, any additional amount for premiums, copayments or other forms of cost-sharing may not exceed twenty percent (20%) of the plan's normal charges to enrollees for such costs. Provided that the deductible shall not increase for the point of service option and any copayment shall not exceed thirty dollars (\$30.00).

(c) Under the option described in subsection (a), the health insurance coverage shall provide for reimbursement rates for covered services offered by health professionals and providers who are not participating health professionals or providers that are not less than the reimbursement rates for covered services offered by participating health professionals and providers. By agreeing to accept the enrollee the nonparticipating professional or provider agrees to accept only the reimbursement offered by the plan, including any applicable, additional copayments or cost-sharing. When reimbursing for services of a nonparticipating professional or provider, the health insurance issuer may make direct payment to the insured.

(d) For the purpose of this section "Health insurance issuer" means an entity regulated under this title that offers health insurance coverage, which shall include any individual, franchise, blanket or group health insurance policy, medical service plan contract, hospital service corporation contract, hospital and medical service corporation contract, fraternal benefit society contract, or such contract with a health maintenance organization or managed care organization.

SECTION 2. This act shall take effect on becoming a law, the public welfare requiring it. It shall apply to contracts entered into or renewed on or after July 1, 1998.

